

GAO High Risk List Targets Financial Regulatory System, FDA and EPA

WASHINGTON. D.C. – The Government Accountability Office (GAO) and House Committee on Oversight and Government Reform Ranking Member Darrell Issa (R-CA) and other House and Senate oversight leaders today unveiled the high-risk program list for 2009. The high-risk list identifies 30 programs that are highly susceptible to waste, fraud, or mismanagement and can serve as a blueprint for Congressional oversight of troubled federal programs in the 111th Congress. The new additions to the High-Risk List center on the outdated U.S. financial regulatory system, FDA oversight of medical products and EPA's processes for assessing and controlling toxic chemicals.

“Federal waste and troubled programs don’t leave office with an outgoing President,” Rep. Issa said. “If President Obama takes 30 minutes to review this report he won’t read about the failures of his three predecessors, but about the continuing failure of a non-partisan Federal bureaucracy that is resistant to reform.”

Page six of the report underscores the important role that the Executive Branch must play in order to successfully address the problem programs highlighted in the report. "Perseverance by the executive branch is needed in implementing our recommended solutions for addressing these high-risk areas," the report reads.

"Twelve of the thirty programs on this 2009 High-Risk List have spanned both the Clinton and Bush Administrations – seven of these even date back to the first Bush Administration," Rep. Issa noted. "Despite what some may say, the reality is the Democrats aren't the enemy, neither are the Republicans, but rather the bureaucracy itself."

Modernizing the Outdated U.S. Financial Regulatory System

As a result of significant market developments that, in recent decades, have *outpaced a fragmented and outdated regulatory structure, significant reforms to the U.S. regulatory system are critically and urgently needed. The current regulatory approach has significant weaknesses that if not addressed will continue to expose the U.S. financial system to serious risks.* Determining how to create and implement a regulatory system that reflects new market realities is a key step to reducing the likelihood that our nation will experience another financial crisis similar to the current one.

Protecting Public Health through Enhanced Oversight of Medical Products

Concerns have been expressed about FDA's ongoing ability to fulfill its mission of ensuring the safety and efficacy of drugs, biologics, and medical devices. GAO's work examining a variety of issues at FDA echoes the conclusions reached by others that the *agency is facing significant challenges that compromise its ability to protect Americans from unsafe and ineffective products*.

FDA needs to, among other things, improve the data it uses to manage the foreign drug inspection program, conduct more inspections of foreign establishments, systematically prioritize and track promotional materials for review, and adopt management tools to ensure that drug sponsors comply with regulations on the presentation of clinical trial results.

Transforming EPA's Processes for Assessing and Controlling Toxic Chemicals

EPA does not have sufficient chemical assessment information to determine whether it should establish controls to limit public exposure to many chemicals that *may pose substantial health risks*.

Actions are needed to streamline and increase the transparency of the Integrated Risk Information System and to enhance EPA's ability under the Toxic Substances Control Act to obtain health and safety information from the chemical industry.

Without greater attention to EPA's efforts to assess toxic chemicals, the nation lacks assurance that human health and the environment are adequately protected.

Ranking Member Issa pledged to work with House Oversight and Government Reform Chairman Ed Towns to not only target and expose the waste, fraud and mismanagement outlined in the GAO report, but to hold all agencies accountable to a new standard of transparency and accountability.

“The status quo standards have resulted in billions of dollars of losses that are being absorbed by the American taxpayers,” Rep. Issa said. “Working with Chairman Towns and President Obama, we can ensure that oversight and accountability is more than just an afterthought, but rather a permanent fixture in our government.”

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